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AGREEMENT  
BETWEEN CITY OF MILPITAS AND  
Allied Security, Inc.

THIS AGREEMENT is made by and between the CITY OF MILPITAS, a municipal corporation of the State of California, 455 East Calaveras Boulevard, Milpitas, California (hereinafter referred to as "CITY") and Allied Security, Inc. 2590 North First Street, Suite 100, San Jose, CA 95131 (hereinafter referred to as "CONTRACTOR") at Milpitas, California.

RECITALS

A. CITY requires certain security services for City Hall Complex and surrounding buildings and grounds.

B. CONTRACTOR is qualified to perform these services and is willing to furnish them in accordance with the terms and conditions of this Agreement.

IN CONSIDERATION of the mutual covenants and conditions herein contained, the parties agree as follows:

AGREEMENT

1. General

CITY engages CONTRACTOR to provide security services pursuant to the covenants and conditions of this Agreement, at the compensation herein stipulated, and CONTRACTOR accepts the engagement upon these terms.

2. Term

This Agreement shall become effective upon the execution of the Agreement by all parties. This Agreement shall end on June 7, 2004, with two one-year renewal options unless otherwise terminated.

3. Scope of CONTRACTOR's Duties and Services

The scope of CONTRACTOR's duties and services is set out in Exhibit A, which is attached and incorporated by reference. These duties and services shall be completed according to the time schedule contained in Exhibit A.

4. Payment by CITY: Time and Manner of Payment

CITY shall pay CONTRACTOR for all services to be rendered by it and all materials to be furnished under this Agreement, the amount specifically set forth and in the

manner specifically set forth on Exhibit A, which is attached and incorporated by reference. CONTRACTOR agrees to accept this sum as full compensation for all services due under this Agreement. CITY's representative shall be responsible for obtaining a purchase order from the CITY's Finance Department to encumber the funds for Agreement.

5. Additional Work

CITY may change the scope of the services required by this Agreement by adding or deleting tasks, and CONTRACTOR shall perform the services required under this Agreement as modified. The contract price shall be adjusted to reflect the changes in the scope of services. These changes shall be made in writing signed by both parties.

6. Equal Employment Opportunity

CONTRACTOR shall not discriminate against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, sexual orientation, age, physical or mental disability, medical condition, marital status, or by illegal denial of family care leave.

7. Compliance with Laws

CONTRACTOR shall comply with all current federal, state and city laws, statutes, ordinances, rules and regulations and the orders and decrees of any court or administrative body or tribunal in any manner affecting the performance of the Agreement.

8. Independent Contractor

CONTRACTOR is acting as an independent contractor in furnishing the services or materials and performing the work required by this Agreement and is not an agent, servant or employee of CITY.

9. Indemnity

To the fullest extent permitted by law, CONTRACTOR agrees to indemnify, defend with counsel reasonably acceptable to CITY, and hold harmless CITY, its officers and employees from all costs, expenses, claims, suits, judgments, demands, causes of action, losses, liabilities or damages arising out of or in any way connected with the intentional or negligent act or omission of the CONTRACTOR, CONTRACTOR's officers, employees, agents, consultants, subconsultants or any officer, agent or employee thereof, including without limitation those relating to injury or death of any person or damage to any property.

10. Insurance

a. General Liability

CONTRACTOR agrees to maintain and pay for a general liability policy naming CITY, its officers, and employees as additional insured and insuring them against liability or financial loss resulting from injuries occurring to persons or property

in or about or in connection with the work to be performed under this Agreement.

Each policy of insurance shall provide primary coverage on an occurrence basis in a company satisfactory to CITY in the following minimal amounts: personal injury, \$1,000,000 for each person and \$1,000,000 per occurrence; property damage, \$500,000 per occurrence. Each policy shall provide that it shall not be canceled or reduced in coverage without 30 days prior written notice to CITY. The general liability policy shall provide (a) if CITY, its officers or employees have other insurance against loss covered by said policy, said other insurance shall be excess insurance only, and (b) that CITY, its officers and employees are not precluded from claim under said policy against other insured parties.

b. Worker's Compensation

CONTRACTOR agrees to comply with all State requirements relating to Worker's Compensation Insurance and to provide the same for its employees.

c. Automobile Liability

CONTRACTOR agrees to maintain and pay for an automobile liability policy naming CITY, its officers and employees as additional insured and insuring them against liability or financial loss resulting from injuries occurring to persons or property in connection with automobiles owned, leased, hired or borrowed by CONTRACTOR, its employees, or agents. Each policy shall maintain limits no less than \$300,000 per accident for bodily injury and property damage. Each policy shall provide that it shall not be canceled or reduced in coverage without 30 days prior written notice to CITY.

- d. CONTRACTOR shall file Certificates and Endorsements of Insurance with CITY in a form satisfactory to CITY ATTORNEY upon execution of this Agreement, evidencing said coverage and the requirements of this paragraph. The Certificates and Endorsement shall contain a reference to the date and title of this Agreement.

All of the insurance companies providing insurance for CONTRACTOR shall have an A.M. Best & Co. rating of A:VIII or above. The Certificates and Endorsements shall be mailed to:

Purchasing Agent  
City of Milpitas  
455 E. Calaveras Blvd.  
Milpitas, CA 95035

12. CITY Representative

Eddie Loreda, shall represent CITY in all matters pertaining to the services to be rendered under this Agreement; all requirements of CITY pertaining to the services and materials to be rendered under this Agreement shall be coordinated through the CITY representative.

13. CONTRACTORS Representative

Kara E. Barker shall represent CONTRACTOR in all matters pertaining to the services and materials to be rendered under this Agreement. All requirements of CONTRACTOR pertaining to the services or materials to be rendered under this Agreement shall be coordinated through the CONTRACTOR representative.

14. Notices

Unless otherwise provided herein, all notices required hereunder shall be given by United States registered or certified mail, or other form of mail which offers proof of mailing, postage prepaid and addressed to the party at the address below.

CITY: \_\_\_\_\_

City Manager, City of Milpitas, 455 E. Calaveras Blvd., Milpitas, CA  
95035

CONTRACTOR: \_\_\_\_\_

15. Assignment

Neither party shall assign nor sublet any portion of this Agreement without the written consent of the other party.

16. Applicable Laws and Attorneys' Fees

This Agreement shall be interpreted and enforced pursuant to California law. Any action to enforce or interpret this Agreement shall be brought in a court of competent jurisdiction in Santa Clara County, California. Should any legal action be brought by a party for breach of this Agreement or to enforce any provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be affixed by the court.

17. Termination

Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY shall also have the right to terminate this Agreement for any reason upon written notice to CONTRACTOR. In the event of such termination, CONTRACTOR shall be compensated in proportion to the percentage of services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate, unless otherwise stated on Exhibit A.

18. Entire Agreement; Amendment

This writing constitutes the entire Agreement between the parties. No modification shall be effective unless the modification is in writing and signed by all parties to this Agreement.

20. Miscellaneous

All covenants herein shall be conditions. Time shall be of the essence. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision. The singular number shall include the plural, and the masculine gender shall include the feminine gender and neuter gender whenever the context of this Agreement permits. This Agreement shall be deemed to have been drafted equally by both parties.

CITY OF MILPITAS

Dated: \_\_\_\_\_

BY: \_\_\_\_\_

CITY MANAGER

Dated: 12-29-03

BY: Kara E. Barker

ALLIED SECURITY, INC.

ATTEST

APPROVED AS TO FORM

BY: \_\_\_\_\_

CITY CLERK

BY: \_\_\_\_\_

CITY ATTORNEY

## SCOPE OF WORK

### CITY OF MILPITAS - CIVIC CENTER SECURITY

- 1 Walking Patrol of Civic Center area
- 2 Greet visitors, provide directions as requested
- 3 Request appropriate behavior as necessary
  - a Respect plantings - no removal, destruction, or damage to plants  
Walk on concrete paths, plazas and turf only
  - b Respect improvements - no skateboard scratches, marring or damage
  - c Respect buildings - no graffiti, rock throwing, ball games
  - d Respect people - no inappropriate behavior
- 4 Redirect inappropriate behavior as necessary
  - a Advise of restrictions or prohibitions
  - b Notify Milpitas 911 for Emergency Police or Fire action
  - c Notify Milpitas Communications for non-emergency Police, Fire, or Maintenance action
  - d Suggest alternate sites (for ball games, skateboarding, etc.)
  - e Advise use of waste receptacles
- 5 Keep the site tidy
  - a collect trash, litter, cigarette butts, recyclables, dispose
  - b sift ash receptacles, dispose
  - c Notify Maintenance of full receptacles
  - d collect lost & found items, submit to information desk
- 6 Report
  - a Hazards or concerns
  - b lights out
  - c damage/loss
  - d significant contacts
  - e suggestions, issues of concern
  - f flags condition
- 7 Check doors locked after use hours
  - a City Hall Doors  
Garage Gates
  - b Community Center
  - c Library
- 8 Assist Information/Direction for Public Meetings
  - a City Hall Lobby guard at Public Counter during meetings in Council Chambers
  - b Set out stanchion signs for meetings in Committee Room, and put away
  - c Keep list of all public meetings at Civic Center and provide information
- 9 Protect property
  - a Graffiti
  - b Vandalism
  - c Skateboard ripping
  - d Vagrancy
  - e People lurking in parking lots or other concealed spaces

**10 Maintain Positive Presence**

- a Uniform - well kept
- b Neat appearance
- c Obvious Patrol Presence as deterrent
- d Sense of security
- e Upbeat, positive, professional nature

**11 Health & Safety**

- a Provide Emergency Medical, Cardio-pulmonary resuscitation
- b Keep people from wading or swimming in ponds
- c Advise against unsafe behavior
- d Prevent climbing on rails, walls, trees, etc.
- e Call for emergency assistance as necessary



**Allied Security, Inc.**  
 2590 North First Street  
 Suite 100  
 San Jose, CA 95131  
 408-954-8274  
 408-954-8452

**Kara E. Barker**  
 Business Development Manager  
 kara.barker@alliedsecurity.com

## REVISED PRICING

### Wage and Rate Structure

We have carefully considered the employment environment in the San Jose metro area as well as the duties and responsibilities and working environment of the officers. We feel that the following rates are necessary in order for us to hire and retain the type of professionals you desire at your facility:

Position	Wage	UMA	TOTAL WAGE	Hours / Week	Billing Rate	OT / Holiday	Weekly Estimates	Monthly Average
Security Officer	\$ 13.35	\$ 6.75/wk	\$ 13.50	64.00	\$ 20.44	\$ 30.66	\$ 1,308.16	
Weekly Estimate				168.00		Sub-Total	\$ 1,308.16	
6 Month Estimate				3,328			\$34,012.16	
Estimated Medical Costs (may vary depending on participation)				\$3,778.32				
8 Holidays				\$562.14				
6 MONTH GRAND TOTAL							\$36,182.39	\$6,030.39
Payment Terms								

Weekly Billing, Net 15 days payment terms

Annual Optional Pre-Payment Discounts			
Monthly	1% Discount	\$	71,641.14
Quarterly	2% Discount	\$	70,917.49
Annually	3% Discount	\$	70,193.84

### Rates Include the Following

- **24 Hour Customer Service Center** – Allied employs its own full-time, 24 hour, customer service call center to handle any emergency scheduling for call-offs, unexpected shift openings and emergency responses.
- **Initial Training** – Our officers will receive eight hours of Security Officer Basic Training.



- **On the Job Training** – Our officers will receive eight hours of On the Job Training.
- **CPR/First Aid Training** – Allied will train and certify its officers on CPR and First Aid Training.
- **Training Opportunities and Opportunities for Growth** - In addition, to our On The Job Training, our officers are encouraged to seek out on-going training and company advancement opportunities for personal growth. Our security training programs help promote, continued development within our ranks, thus ensuring retainability and personal satisfaction. Allied's ALLSTAR Program is a formal, progressive system designed to develop and test an officer's knowledge and skills at five different levels. Upon completion of Level 4 each officer will receive a Fossil watch, and upon completion of Master Level 5 each officer will receive an Allied Security black leather duffel bag.
- **Employee Recognition and On the Spot Rewards** – Allied believes in rewarding over-achievers by offering movie tickets, restaurant certificates etc. to let the officers know that we recognize dedicated, commitment and hard work.
- **401 (k) Savings Plan** - Allied has taken yet another step to improve what is already the best benefits plan in our industry. The 401(k) program allows employees to invest up to 15% of their salary through a pre-tax payroll deduction. PNC Bank, our plan administrator, has offered several training/Q&A sessions on how to maximize investment opportunities.
- **Paid Vacation** - Allied's excellent vacation policy provides for:
  - ✓ 5 days vacation after working continuously for 1 year
  - ✓ 10 days vacation after working continuously for 3 years
  - ✓ 15 days vacation after working continuously for 8 years
- **Holiday Schedule** - Allied recognizes the following holidays. An updated schedule can be provided to include additional days, if desired. All officers working on these holidays receive 1.5 times their straight-time hourly wage rates and all Holiday's are billed to City of Milpitas at our Holiday Rate of 1.5 times.

✓ New Year's Eve*	✓ New Year's Day
✓ <i>Martin Luther King Day</i>	✓ <i>Memorial Day</i>
✓ Independence Day	✓ Labor Day
✓ Thanksgiving Day	✓ Christmas Eve*
✓ Christmas Day	*After 6:00pm
- **Referral Bonus** - Since many of our best employees come to us through referrals, a referral bonus is offered to our employees.

- **Direct Deposit** - Direct deposit programs are made available to all Allied employees. We have found this program to be very successful in enhancing employee morale and reducing payroll delivery issues. At least 65% of our employees have enrolled in this program.
- **Additional Benefits** - Allied offers our employees additional benefits in the form of special memberships to:
  - ✓ Walt Disney Magic Kingdom Club
  - ✓ Police and Fire Federal Credit Union
  - ✓ Pearle Vision Discount Program
  - ✓ Anheuser-Busch Theme Park Club
  - ✓ Six Flags Great Adventure and
  - ✓ BJ's Warehouse Club.
- **Workmen's Compensation and State Disability** - Allied complies with all State requirements.
- **Uniforms** - Most companies require that the officers pay for their uniforms and that a fee be taken out of their checks. However, Allied enthusiastically provides three sets of uniforms to the officers.
- **Uniform Allowance** - In addition, Allied pays the officers \$6.75 per week for uniform cleaning(s) so that our officers always look neat, clean, and professional. The \$6.75 equals \$.17 per hour of the quoted pay rate will be paid to the employee as uniform allowance on a non-taxed basis.
- **Discount Options** - Currently, Allied Security is invoicing monthly for all hours scheduled for the subsequent monthly period. If the invoice is paid by the 8<sup>th</sup> day of the month, the following approximate discounts will apply. Please note that the following discount is an estimate based off of projected annual revenue billed.

**Medical Costs Billed Direct**

- **Health Insurance** - Allied offers medical and dental benefits to all full-time employees and their eligible dependents. Allied pays 75% of the health premiums for the officers and 50% of the health premiums for their families. All new hires are eligible to receive medical coverage after ninety days of Allied employment.

**The Specifics -**

- ✓ This plan covers medical, prescription, and vision.
- ✓ It includes 100% of costs for physician office visits
- ✓ Preventive care after a \$20 co-pay
- ✓ 100% after \$25 co-pay for specialist visits
- ✓ 90% for outpatient surgery after deductible (\$500 individual/\$1,000 family)
- ✓ 90% for hospital after deductible
- ✓ Skilled nursing facility, home health care, or hospice services
- ✓ \$15 generic or \$20 formulary, or \$35 non-formulary co-pay for prescriptions
- ✓ \$25 co-pay for vision care
- ✓ \$1,000 single/\$2,000 family maximum per calendar year co-payment/coinsurance
- ✓ Unlimited lifetime maximum

Healthcare	Monthly Client Expense	Monthly Employee Expense
<b>Kaiser</b>		
Single	\$193.30	\$65.00
Single + 1	\$322.17	\$195.00
Single + Family	\$429.12	\$301.27
<b>Aetna</b>		
Single	\$178.76	\$60.67
Single + 1	\$314.63	\$197.17
Single + Family	\$439.77	\$320.67
<b>Guardian/Dental</b>		
Single		\$15.64
Single + 1		\$31.47
Single + Family		\$55.10